



House Policy Committee

Policy Perspective

Christopher Cox, Chairman

Enough Plutonium to Build 65 Nuclear Bombs A Year

Clinton-Gore Aid to North Korea Supports Kim Jong-Il's Million-Man Army

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Introduction

North Korea is not merely a dictatorship: it is a uniquely monstrous tyranny that has tormented the Korean people for half a century, creating the most completely totalitarian and militarized state in human history. Today, even while North Korea is faltering on the edge of economic collapse, it poses one of the greatest threats to American and allied interests anywhere around the globe.

Enhancements to North Korea's threatening military capabilities, centered on the development of nuclear weapons and long-range delivery systems, are being financed at the expense of North Korea's starving millions. Worse, they are being subsidized with U.S. taxpayer funds provided by the Clinton-Gore administration.

From the founding of the North Korean state in 1948 to the last day of the Bush administration, not one penny of foreign aid was given to this Communist dictatorship. But under the Clinton-Gore administration, North Korea has become the largest recipient of U.S. foreign aid in the Asia-Pacific region.

Despite administration claims in defense of their failed policy, the North Korean military buildup continues. While smiling at the world's television cameras at his June 2000 summit with South Korean president Kim Dae Jung, Kim Jong-Il was—and is today—continuing work on a North Korean nuclear bomb. Along with Clinton-Gore foreign aid, long-range missile development continues to this day.

Policy Removed from Reality

The provision of U.S. aid to Kim Jong-Il during the Clinton-Gore administration has coincided with both worsening human rights abuses and stepped-up development of nuclear weapons and long-range missiles. Rather than preventing North Korea from continuing its military buildup, the Clinton-Gore administration has financed it.

Growing concerns about North Korea's increasingly threatening actions, and the administration's increasingly incredible representations that North Korea's behavior is accommodating key American interests, have prompted legislation mandating a top-to-bottom review of the Clinton-Gore North Korea policy.

The legislation required "a full and complete interagency review of United States policy toward North Korea." Section 582 (e) of the law required that, "Not later than January 1, 1999, the President shall name a 'North Korea Policy Coordinator,' who shall conduct a full and complete interagency review of United States policy toward North Korea, shall provide policy direction for negotiations with North Korea related to nuclear weapons, ballistic missiles, and other security related issues, and shall also provide leadership for United States participation in KEDO (the Korean Peninsula Energy Development Corporation)."

The Clinton administration's appointment of one of its own former Cabinet members as the "North Korea Policy Coordinator" essentially frustrated the purpose of the legislation, which was to obtain a critically objective review of North Korean policy. After reviewing its own policies for a full year, the Clinton-Gore administration's "Perry report" (written by former Clinton administration Defense Secretary William Perry) merely concluded that the policy of appeasement toward North Korea should continue.

As though the United States and its allies are the main threat to peace on the Korean peninsula, the Perry report proposes, "the United States and its allies would, in a step-by-step and reciprocal fashion, move to *reduce pressures on the DPRK that it perceives as threatening.*" (Emphasis added.) The Clinton-Gore administration also postulates that continued foreign aid subsidies to North Korea would "give the DPRK regime the confidence that it could coexist peacefully with us and its neighbors and pursue its own economic and social development."

But lack of self-esteem and confidence is not Kim Jong-Il's problem. Nor has economic and social development ever been his aim. Recognizing this, as well as the Clinton-Gore administration's unwillingness to grapple with the fundamental failure of its policies, Speaker of the House of Representatives J. Dennis Hastert appointed a special North Korean Advisory Group (NKAG) to perform the objective reassessment that under the law should already have been done.

The North Korean Advisory Group was made up of key members of the House Leadership and the Chairmen of the standing committees of jurisdiction, including: International Relations Committee Chairman Benjamin A. Gilman; Permanent Select Committee on Intelligence Chairman Porter Goss; Armed Services Committee Chairman Floyd Spence; Policy Committee Chairman Christopher Cox; Armed Services Subcommittee on Military Research and Development Chairman Curt Weldon; Conference Vice Chairwoman Tillie Fowler; International Relations Subcommittee on Asia and the Pacific Chairman Doug Bereuter; Appropriations Subcommittee on Foreign Operations Chairman Sonny Callahan; and Rep. Joe Knollenberg, a key member of both that subcommittee and the House Policy Committee.

The report of the North Korea Advisory Group, issued on November 3, 1999 (and available at http://www.house.gov/international_relations/nkag.htm), concluded that the threat from North Korea “has advanced considerably over the past five years, particularly with the enhancement of North Korea’s missile capabilities.”

The Advisory Group also pointed out that “[t]he United States has replaced the Soviet Union as a primary benefactor of North Korea.... U.S. aid to North Korea has grown from zero [before the Clinton-Gore administration] to more than \$270 million annually, totaling \$645 million over the past five years. Based on current trends, that total will likely exceed \$1 billion next year.”

North Korea has become the largest recipient of United States foreign aid in East Asia. Taxpayers in the United States have thus become the financiers of the Stalinist regime’s survival.

Aiding the Enemy

In an astonishing reversal of nine previous U.S. administrations’ policy toward North Korea, the Clinton-Gore administration, in 1994, committed not only to provide foreign aid for North Korea, but to earmark that aid primarily *for the construction of nuclear reactors* worth up to \$6 billion.

While the nuclear reactors are being built, the U.S. is providing aid in the form of fuel oil—500,000 metric tons per year—for North Korea’s state-managed military-industrial base. Even though the civilian component of that industrial base has diminished drastically in recent years, the Clinton-Gore administration continues to provide aid based on the outdated estimates of needs contained in the 1994 “Agreed Framework.” Since the fuel the U.S. is now providing in 2000 is almost *double* what North Korea’s civilian economy can use, diversion to military uses and to hard currency for military hardware purchases is practically guaranteed.

American food aid—intended by a naïve Clinton -Gore administration for North Korea’s starving population—has also been abused by the Communist regime. Despite totalitarian secrecy and a dearth of effective international monitoring, many aid organizations have concluded that Pyongyang diverts food aid to the military, security forces, and the Communist Party elite. Even the food aid that reaches needy civilians is re-channeled through the state, thereby converting it into a source of control and prestige for the regime.

As the defecting General Secretary of North Korea’s Communist Party explained, “*North Korea controls people with food.... The food distribution is a means of control.*”

On September 29, 1998, Doctors Without Borders, the largest international charity operating in North Korea, announced that it was withdrawing from the North. According to the *Washington Post*, the organization stated that it was “concerned that the North Korean government was applying a double standard—feeding children from families loyal to the regime while neglecting others.” Regarding U.S. food aid, the *Post* quoted a U.S. official as stating, “In truth, we don’t know what we’re doing. We’re just sending in lots of food and hoping against hope.”

In April 2000, CARE announced its withdrawal from North Korea noting that “... the operational environment in North Korea has not progressed to a point where CARE feels it is possible to implement effective rehabilitation programs.”

Although he eagerly accepts such naïve assistance from American taxpayers, Kim Jong -Il is using it to expand his military capabilities. He now maintains one of the largest standing armies on earth—in excess of a million men—at the manifest expense of the welfare of 21 million suffering Koreans.

An Escalation of Extortionate Demands

The Clinton-Gore administration seems deaf to North Korea's increasing threats.

On August 31, 1999, North Korea test fired a Taepo-dong missile more than 850 miles over the airspace of our ally Japan. The Clinton-Gore administration response: it called for more “engagement” with North Korea. In addition, the administration strong-armed South Korea and Japan not to retaliate against North Korea by reducing support for the Korean Peninsula Energy Development Organization (KEDO), the multinational organization that the Clinton-Gore administration set up to provide nuclear reactors and fuel oil to North Korea under the Agreed Framework.

The Clinton-Gore administration's aid to North Korea is purportedly designed to entice Kim Jong-Il to reverse his threatening policies. But North Korea has not reciprocated. To the contrary, it has not only continued its aggressive military buildup, but also continued to sell weapons to dangerous regimes. North Korea has sold crucial technology to Iran for the Shahab missile, which now threatens U.S. forces across the Middle East. It has sold key technology to Pakistan for their Ghauri missile, which has helped disrupt the fragile stability of South Asia. And on December 8, 1998, North Korea Defense Ministry officials threatened they were “ready to annihilate U.S. imperialists,” and said they would “plunge the damned U.S. territory into a sea of flame.”

As recently as June 23, 2000, North Korea's official news agency stated that “the U.S. intends to realize its vicious ambition at any cost.”

When asked to reveal a potential underground nuclear site in the mountains of Kumchang-ri, one of many suspect sites that should be open to inspection under the terms of the 1992 denuclearization agreement between North Korea and South Korea, North Korea demanded, and received, compensation. When American negotiators sought restraint from North Korea on missile sales, North Korea boldly used the opportunity to demand \$1 billion *annually* in compensation for the alleged loss of revenue—a demand Pyongyang reiterated in July 2000.

The explicit purpose of the 1994 Agreed Framework was to freeze North Korea's nuclear weapons development. But in testimony before Congress, Secretary Albright and former Secretary Perry have acknowledged that North Korea—despite the hundreds of millions of U.S. taxpayer dollars it has received—is continuing its nuclear development program.

During the years since 1994 when North Korea has been the improbable beneficiary of U.S. foreign aid, it has developed a missile capable of hitting the United States. It has tentatively agreed not to flight-test that missile only in exchange for the Clinton-Gore administration's acceptance of the most brazenly extortionate demand yet: the lifting of economic sanctions that have been applied to North Korea uninterrupted for 50 years, since it first launched its ongoing war against the Republic of Korea. President Clinton unilaterally did this on June 19, 2000.

Apologies and Rationalizations

At the time the Clinton-Gore administration signed the 1994 Agreed Framework with North Korea, it argued the entire agreement was “fail-safe.” Supposedly, North Korean performance would be required before the U.S. provided North Korea with any benefits. The administration claimed, for example, that the light water nuclear reactors would not be provided until North Korea had frozen its nuclear weapons program, permitted inspections, and taken other actions to comply with international concerns. “The most significant benefits for North Korea will come several years from now, after we have had an opportunity to judge its performance and its intentions,” Secretary of State Warren Christopher said. “The most important benefit they will receive, the sensitive nuclear component for the light water reactors, will not be provided until North Korea fully complies with safeguard obligations, which includes accounting for its past activities.”

Since taking that unrealistically optimistic approach, the Clinton-Gore administration has met every North Korean default with an apology and a rationalization for North Korea’s behavior:

- **On October 21, 1994, when the Clinton-Gore administration signed the Agreed Framework, it heralded the agreement as ending North Korea’s nuclear program. It was described as a complete freeze of North Korea’s nuclear weapons development program.** Then-Secretary of Defense Perry testified that the agreement halted “North Korea’s graphite-moderated reactor program including three nuclear reactors, facilities for separating weapons-grade plutonium, and all other nuclear fuel-related facilities.” But since 1998, when the Director of the Defense Intelligence Agency corrected Secretary of State Albright during sworn testimony on the North Korean nuclear program, the Clinton administration now claims the 1994 agreement actually required North Korea to shut down only two specified North Korean nuclear facilities, at Yongbyon and Taejon.
- **Perry has said that otherwise, the North Korean nuclear weapons program continues.** As if to justify the failure of U.S. foreign aid to achieve its objective of freezing North Korea’s nuclear weapons development, the Perry report describes the continuing nuclear weapons development as “small scale.”
- **While receiving U.S. foreign aid, North Korea has sent military infiltrators into South Korea. These forces have ruthlessly killed South Korean citizens.** North Korea has also kidnapped South Korean citizens and tourists and held them for ransom. And on January 16, 2000, North Korean agents entered the People's Republic of China and abducted Rev. Kim Dong-shik, who reportedly ran an underground railroad that helped North Koreans escape to freedom.
- **Although the 1994 Agreed Framework committed North Korea to work for nuclear non-proliferation, the Clinton-Gore administration has excused North Korea’s continuing proliferation and its violations of inspection requirements.** The Nuclear Nonproliferation Treaty (NPT) is the foundation of the international community’s efforts to account for, and thereby restrain, the spread of nuclear material suitable for weapons. It rests on signatory nations’ good faith, and their willingness to submit to inspections, in exchange for

obtaining and using nuclear technology. North Korea had threatened to withdraw from the Non-Proliferation Treaty (NPT) in 1992 in order to avoid international inspection of its nuclear facilities, so its 1994 commitment to promote NPT objectives was a significant concession. The Clinton-Gore administration's waiver of this obligation is inexcusable.

- **The Agreed Framework has left North Korea with the capability to begin reprocessing plutonium at a moment's notice.** Today, five years after the Agreed Framework was signed, North Korea's nuclear weapons development is still ongoing. The Clinton-Gore administration now argues that North Korea's potential for nuclear reprocessing is the very reason the U.S. must continue paying it foreign aid. Despite North Korean noncompliance with the Agreed Framework, the Perry report states, "U.S. security objectives may therefore require the U.S. to supplement the Agreed Framework, but we must not undermine or supplant it."

Lost Opportunities

When Bill Clinton and Al Gore took office, the U.S. already had in hand signed, enforceable agreements between North and South Korea that banned nuclear weapons development. No U.S. taxpayer money was needed to purchase Kim Jong Il's promise to cease nuclear weapons development, because that promise had already been formally given. But the Clinton-Gore administration chooses to ignore the significance of the 1992 bilateral North-South agreements executed during the Bush presidency. These still-binding agreements, not new U.S. concessions, should provide the basis for insisting on North Korean nuclear controls.

After President Bush's September 1991 announcement of a worldwide withdrawal of U.S. tactical nuclear weapons, North and South Korea signed the "Joint Declaration of the Denuclearization of the Korean Peninsula." In this document both North and South agreed not to "test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons," and to "use nuclear energy solely for peaceful purposes." Both sides agreed they would "not possess nuclear reprocessing and uranium enrichment facilities," and would verify "denuclearization of the Korean peninsula" through mutual inspections.

North Korea was required by this agreement to put in place an inspection regime that facilitated inspections of facilities such as the hollowed-out caverns at Kumchang-ri. But despite this binding international agreement, the Clinton-Gore administration recently chose to *pay* North Korea for access to Kumchang-ri. Moreover, this commitment of taxpayer dollars for access to Kumchang-ri was made even though the Clinton-Gore administration knew in advance that the North Korean facility did not have the water supply sources normally associated with nuclear re-processing—indicating the entire transaction was a pretext to provide additional U.S. foreign aid to the Stalinist government.

As Speaker Hastert's North Korea Advisory Group concluded, North Korea is not meeting its obligations under the 1994 Agreed Framework to "consistently take steps to implement" the 1992 Joint Declaration on Denuclearization of the Korean Peninsula. There has been no progress in establishing the agreement's bilateral inspection regime.

In addition, North Korea is seeking to obtain uranium enrichment technologies. Far from coming into compliance, since it has become the recipient of U.S. taxpayer-funded largesse North Korea is even more egregiously violating the 1992 Joint Declaration. For this reason, the

Foreign Operations Acts for Fiscal Years 1998, 1999, and 2000 require the President to certify to Congress that the parties to the 1994 Agreed Framework have taken demonstrative steps to implement the 1992 Joint Declaration—a certification that he cannot honestly make.

The Clinton-Gore administration has actually been more insistent on building nuclear reactors for North Korea than Kim Jong-Il himself. On May 8, 1998, North Korea declared that the Agreed Framework was no longer valid. This unilateral abrogation by North Korea, coming on the heels of so many North Korean violations of the agreement, offered a perfect opportunity for the U.S. politely to absolve itself of any obligation to pay for nuclear facilities in North Korea. But the administration chose to ignore the North Korean pronouncement—instead working overtime to persuade it to support the Agreed Framework.

Indeed, North Korea's May 1998 renunciation of the Agreed Framework was based on its own misgivings about the U.S.-supported light water nuclear reactors. Just prior to the formal disavowal, on March 27, 1998, North Korean President Li Jong-ok, Communist Party Central Committee Secretary Han Song-ryong, and Deputy Premier Hong Song-nam called North Korea's electrical workers to a two-day conference in Pyongyang. Their purpose in calling the meeting was to win support for building small- and medium-sized alternative power stations "suitable to local geographical conditions."

On April 2, Deputy Premier Hong Song-nam echoed pragmatic Western analysts who advised against the overly expensive light water reactors that the Clinton-Gore administration wanted to build. He questioned whether large-scale nuclear reactors were an appropriate method of solving North Korea's electric power problems. North Korea's central television reported that Kim Jong-Il himself favored "small and medium-sized power plants at every corner of the country" to enable "people to cook and heat houses using electricity and use TV sets and other cultural appliances to their hearts' content."

Rather than using this opportunity to at least amend, if not end, the Agreed Framework, however, the Clinton-Gore administration pressed for the continuation of the construction of two enormous nuclear facilities in North Korea.

The Nuclear Nightmare

An essential premise behind providing the Kim Jong-Il regime with light water nuclear reactors is that North Korea can be trusted not to use the plutonium produced from these reactors. It is a faulty premise indeed. Not only can the new light-water reactors be used to extract plutonium, they will actually produce *significantly more* nuclear materials that can be used for weapons than the graphite-moderated nuclear plants they are meant to replace.

The U.S.-funded light water reactors in North Korea will accumulate plutonium in spent fuel at the rate of about 17, 300 oz. per year—enough to produce *65 nuclear bombs a year*. The facilities North Korea was building on its own would have produced enough plutonium for a dozen bombs a year.

The Clinton-Gore administration attempts to gloss over the horrible proliferation risk from its nuclear aid to North Korea by arguing the light-water reactors will not produce "weapons-grade" plutonium. But as William R. Graham, Science Advisor to President Reagan from 1986 to 1989, has explained, the term "weapons grade" does not refer to the usefulness of the plutonium for building a bomb, but rather to its handling by workers in the course of manufacturing a bomb. If one does not mind that some workers may die from radiation

exposure, the plutonium will function perfectly well in a weapon. “The isotopic purity that defines ‘weapons-grade plutonium’ depends only on how soon the fuel is removed,” Dr. Graham adds, and not on the “avowed purpose of the reactor.”

The policy of providing nuclear power plants to North Korea will produce plutonium for scores of nuclear bombs. This is not merely dangerous, it is mad.

Time to End the Clinton-Gore Nuclear Madness

The idea of exchanging light water reactors for graphite-moderated reactors was from the inception recognized by nuclear experts as unsound. As early as 1992, North Korea raised the idea in North-South talks, and in its dealings with the International Atomic Energy Agency asked for assistance in light-water reactor technology. The IAEA dismissed the expensive idea, recognizing that cash-strapped North Korea had more economical ways to generate electric power.

Of course, the Clinton-Gore administration would never finance the construction of nuclear power plants in the United States. The author of *Earth in the Balance* says of these nuclear reactors, “[I]n my own view, the present generation of nuclear technology, light water-pressurized reactors, seems rather obviously at a technological dead end.” Nevertheless, when Vice Foreign Minister Kang Suk-Ju proposed that America subsidize North Korea’s light-water nuclear reactors on July 15, 1993, the Clinton-Gore administration responded immediately and affirmatively. The North Koreans must surely have been astounded that such a brazen proposal was so reflexively accepted.

It is important for the next administration to take a hard look at this truly mad policy of arming Kim Jong-Il’s million-man army with plutonium. Either the longstanding policy of no U.S. taxpayer support for North Korea should be reinstated, or at least the U.S. must convert the current foreign aid program to one that provides conventional, fossil fuel or hydroelectric power instead of nuclear reactors to North Korea. In North Korea, as here, conventional means of power generation, including hydroelectric generators, are cheaper and raise no threat of proliferation. Happily, advisors close to Texas Governor George W. Bush indicated their preference for such an approach during a press briefing on September 23, 1999.

North Korea’s Expanding Missile Proliferation Since 1994

Not only is U.S. aid subsidizing North Korea’s acquisition of plutonium for nuclear devices, it is also facilitating its development of long-range missiles.

Speaker Hastert’s North Korea Advisory Group pointed out that according to the CIA’s 1999 ballistic missile National Intelligence Estimate (NIE), the proliferation of medium-range ballistic missiles—driven primarily by North Korean No Dong sales—has created an immediate, serious and growing threat to U.S. forces, interests, and allies, and has significantly altered the strategic balances in the Middle East and Africa.

Worse, all of North Korea’s No Dong missile transfers have occurred within the last five years—after North Korea signed the Agreed Framework promising to promote non-proliferation efforts with the United States, and while it has been receiving U.S. foreign aid.

Today, North Korea is one of the largest proliferators of missiles and enabling technology in the world. Its primary markets are South Asia and the Middle East. Its proliferation activities

increasingly threaten American interests globally. The speed with which such proliferation is taking place is also alarming: as the Rumsfeld Commission reported in July 1998, North Korea deployed its No Dong missile after *just one* successful test—and long before the United States government knew what North Korea was doing.

North Korea's weapons proliferation since it began receiving U.S. foreign aid in 1994 is an indication of the regime's contemptuous disregard for the Clinton-Gore administration's policy of appeasement.

Congress Will Act

History teaches that North Korea almost certainly will seek to avoid full compliance with the obligations it has undertaken under international agreements, including the Nuclear Non-Proliferation Treaty (NPT), the Agreed Framework, and any future agreements regarding testing, production, deployment, and proliferation of missiles. In spite of the Clinton-Gore administration's blind optimism, North Korea will make increasingly extortionate for money from the United States and others as the price of refraining from carrying out its threats to the international community.

In the years since the Clinton-Gore administration's Agreed Framework with North Korea, Kim Jong-Il's regime has learned that it can extract concessions from the United States by merely threatening to engage in destabilizing behavior, and then negotiating a price for not carrying out its threats. The North Korean regime has been led to believe continuing to threaten U.S. national security is its best means of winning U.S. economic concessions.

For the United States, constant vigilance will be required to ensure that our policy effectively minimizes the North Korean threats to our national security. For Congress, aggressive oversight and appropriate legislative action will be necessary in order to ensure that American interests are protected. On May 18, the House voted (334-85) in support of an amendment offered by Reps. Cox and Markey to prohibit the administration from assuming liability for building or operating nuclear reactors in North Korea. In July during consideration of foreign assistance funding, the House adopted an amendment by Rep. Bereuter that prohibits any foreign assistance funds from being used to assume liability for the construction or operation of North Korean nuclear reactors. And even now the Senate is considering House-passed legislation that would require final congressional approval before any light water reactor technology could actually be provided to North Korea.

The Clinton-Gore policy, it is now clear, has severely worsened the threat that North Korea poses to the world by systematically rewarding Kim Jong-Il for his most dangerous misconduct. It has provided North Korea with an increased capacity for the development of nuclear weapons and the long-range missiles to deliver them. As its military capabilities have advanced, time has worked to Pyongyang's advantage—and will continue to do so, as long as the Clinton-Gore administration continues to invest its faith, its naivete, and U.S. taxpayer dollars in this despicable Stalinist regime.